Agenda – Executive Policy Committee – May 22, 2024

Report – Standing Policy Committee on Public Works – May 7, 2024

Item No. 3 Cost Recovery Agreement between the City of Winnipeg and Costco Wholesale Corporation for Traffic Control Signal Installation at 1315 St. James Street

STANDING COMMITTEE RECOMMENDATION:

On May 7, 2024, the Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the City enter into, execute, and deliver a cost recovery agreement with Costco Wholesale Corporation, and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the cost recovery agreement with Costco Wholesale Corporation and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

3. That the installation of new traffic control signals at the north entrance of 1315 St. James Street be approved.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Executive Policy Committee – May 22, 2024

Report – Standing Policy Committee on Public Works – May 7, 2024

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On May 7, 2024, the Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

David Grant submitted a communication with respect to the matter.

ADMINISTRATIVE REPORT

Title: Cost Recovery Agreement between the City of Winnipeg and Costco Wholesale Corporation for Traffic Control Signal Installation at 1315 St. James Street

Critical Path: Standing Policy Committee on Public Works – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Patman, P.Eng.	J. Berezowsky	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

In late 2023, a report to the Standing Policy Committee on Public Works noted the Winnipeg Public Service supports a traffic signal at 1315 St. James Street based on traffic volumes and the criteria for installing traffic signals.

The Public Service is now recommending Council approve a cost recovery agreement with Costco Wholesale Corporation to facilitate the signal installation.

The agreement would have Costco Wholesale Corporation pay for the traffic signal installation.

The estimated capital cost of all related works for the traffic control signal is $250,000. The capital cost of the signal would be fully funded under the cost recovery agreement. The combined estimated annual maintenance and operating cost is estimated at $5,000, which would be covered by the City.

RECOMMENDATIONS

1. That the City enter into, execute, and deliver a cost recovery agreement with Costco Wholesale Corporation, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

2. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the cost recovery agreement with Costco Wholesale Corporation and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That the installation of new traffic control signals at the north entrance of 1315 St. James Street be approved.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required for Recommendations 1 and 2 for the City to enter into the cost-recovery agreement with Costco Wholesale Corporation.

Standing Policy Committee on Public Works approval is required for Recommendation 3. Installation of new traffic control signals must be approved by the Standing Policy Committee on Public Works, being the City's Traffic Authority pursuant to Section 13. (d) of the *City Organization By-law 7100/97.*

IMPLICATIONS OF THE RECOMMENDATIONS

The cost recovery agreement must be signed and returned in order to receive the funding from Costco Wholesale Corporation.

The estimated capital cost of the traffic signal is $250,000 (Class 3), of which Costco Wholesale Canada Ltd. will pay 100 percent. The combined estimated annual maintenance and operating cost associated with this signal is $5,000 and will be funded by the Public Works Department Transportation Division Operating Budget.

HISTORY/DISCUSSION

BACKGROUND INFORMATION

On November 9, 2023, the Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and received the report, *Traffic Signal near 1315 St. James Street* as information. The Executive Summary is included below for context:

The Winnipeg Public Service completed a traffic study to determine if a traffic signal is warranted at the north entrance of the Costco Wholesale shopping centre at 1315 St. James Street. Review of May 2023 traffic counts indicated that the traffic control signal warrant point criteria were met, and the 75 vehicle per hour cross street volume threshold was also fulfilled.

A new traffic signal would be for the benefit of the 1315 St. James Street property. Typically, traffic signals for the benefit of private properties are identified through the Developer Agreement Parameters and the required costs are covered by the Developer. The Winnipeg Public Service engaged with Costco management to discuss the terms of an agreement for the installation costs of traffic control signals at the north entrance of 1315 St. James Street.

COST RECOVERY AGREEMENT

Discussions have been ongoing between the Winnipeg Public Service and Costco Wholesale Corporation about the contemplated traffic control signal, and are at the stage where increased interest has been expressed to enter into the formalized agreement. A cost recovery agreement is currently being drafted in consultation with Legal Services. The Winnipeg Public Service requests Council approval to enter into a cost recovery agreement with Costco Wholesale Corporation to install new traffic control signals on St. James Street at the north entrance of 1315 St. James Street (West Winnipeg Costco Warehouse). As per the agreement, the City will

construct new traffic control signals at the Costco Site and Costco Wholesale Corporation will pay for the costs of the traffic signal installation.

TRAFFIC CONTROL SIGNAL APPROVAL

As noted in the November 9, 2023, report to the Standing Policy Committee on Public Works, the traffic control signal warrant point criteria and the cross-street volume threshold criteria were both met. Accordingly, it is recommended that the installation of new traffic control signals at the north entrance of 1315 St. James Street be approved.

FINANCIAL IMPACT

Financial Impact Statement **Date:** April 3, 2024

Project Name: **First Year of Program** **2024**

Cost Recovery Agreement between The City of Winnipeg and Costco Wholesale Corporation for Traffic Control Signal Installation at 1315 St. James Street

	2024	2025	2026	2027	2028
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 250,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Less: Incremental Revenue/Recovery	250,000	-	-	-	-
Net Cost/(Benefit)	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Less: Existing Budget Amounts	-	5,000	5,000	5,000	5,000
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs 2024 of $250,000 represent the class 3 estimate for installing traffic signals servicing a commercial private approach at 1315 St. James Street. The property owner (Costco Wholesale Corporation) will enter into an agreement with the City to pay for the costs in full, and work will not commence prior to ratification of the agreement. Incremental Revenue/ Recovery represents amounts to be recovered from the Costco. Direct costs 2025-2028 $5,000 are the annual estimated maintenance costs of the signals to be charged to future Public Works operating budgets.

J. Ruby, 2024-04-04

J. Ruby CPA, CA
Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with OurWinnipeg2045 as per:

Goal: Good Health and Well-Being

- ***Policy 4.10 Transportation Safety:*** Design, construct, maintain, and regulate an integrated and sustainable transportation system and related infrastructure that optimize safe, connected and reliable mobility, and minimize severe injuries and fatalities for all road users.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

There is a linkage between making Winnipeg's transportation network safer and more efficient with Key Directions 3.1 "Increase Use and Efficiency of Public Transit Systems", 3.4 "Increase Active Transportation Rates", and 3.5 "Reduce Traffic Congestion".

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Public Works
Division: Transportation
Prepared by: T. Jangula, C.E.T., Traffic Analyst
K. Patmore, M.Sc., P.Eng.
Date: April 4, 2024